



DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RM93-11-000]

Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992;

Notice of Annual Change in the Producer Price Index for Finished Goods

The Commission's regulations include a methodology for oil pipelines to change their rates through use of an index system that establishes ceiling levels for such rates. The Commission bases the index system, found at 18 CFR 342.3, on the annual change in the Producer Price Index for Finished Goods (PPI-FG), minus point two one percent (PPI-FG - 0.21%). The Commission determined in the January 2022 Order¹ that PPI-FG - 0.21% is the appropriate oil pricing index factor for pipelines to use for this period.

The regulations provide that the Commission will publish annually an index figure reflecting the final change in the PPI-FG after the Bureau of Labor Statistics publishes the final PPI-FG in May of each calendar year. The annual average PPI-FG index figures were 221.0 for 2021 and 250.9 for 2022.² Thus, the percent change (expressed as a decimal) in the annual average PPI-FG from 2021 to 2022, minus 0.21 percent, is positive 0.133194.³ Oil pipelines must multiply their July 1, 2022, through June 30,

¹ *Five-Year Rev. of the Oil Pipeline Index*, 178 FERC ¶ 61,023, at P 105 (January 2022 Order), *reh'g denied*, 179 FERC ¶ 61,100 (2022).

² Bureau of Labor Statistics (BLS) publishes the final figure in mid-May of each year. This figure is publicly available from the Division of Industrial Prices and Price Indexes of the BLS, at 202-691-7705, and in print in August in Table 1 of the annual data supplement to the BLS publication *Producer Price Indexes* via the Internet at <http://www.bls.gov/ppi/home.htm>. To obtain the BLS data, scroll down to "PPI Databases" and click on "Top Picks" of the Commodity Data including "headline" FD-ID indexes (Producer Price Index – PPI). At the next screen, under the heading "PPI Commodity Data," select the box, "Finished goods – WPUFD49207," then scroll to the bottom of this screen and click on Retrieve data.

³ $[250.9 - 221.0] / 221.0 = 0.135294 - 0.0021 = 0.133194$.

2023, index ceiling levels⁴ by positive 1.133194⁵ to compute their index ceiling levels for July 1, 2023, through June 30, 2024, in accordance with 18 CFR § 342.3(d). For guidance in calculating the ceiling levels for each 12-month period beginning January 1, 1995,⁶ see *Explorer Pipeline Company*, 71 FERC ¶ 61,416, at n.6 (1995).

In addition to publishing the full text of this Notice in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or print this Notice via the Internet through FERC's Home Page (<http://www.ferc.gov>) using the eLibrary link. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field and follow other directions on the search page.

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Dated: May 16, 2023.

Kimberly D. Bose,
Secretary.

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⁴ See January 2022 Order, 178 FERC ¶ 61,023 at P 106 (directing oil pipelines to recompute their July 1, 2021 through June 30, 2022 index ceiling levels to be effective March 1, 2022), *reh'g denied*, 179 FERC ¶ 61,100 at P 8; see also *Revisions to Oil Pipeline Reguls. Pursuant to the Energy Pol'y Act of 1992*, 178 FERC ¶ 61,046 (2022).

⁵ $1 + 0.133194 = 1.133194$.

⁶ For a listing of all prior multipliers issued by the Commission, see the Commission's website, <https://www.ferc.gov/industries-data/oil/general-information/oil-pipeline-index>.